

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: March 17, 2008]²

Bill No. and sponsor: H.R. 4032 (Mr. Patrick T. McHenry of North Carolina).

Proponent name,³ location: Celanese, Dallas TX.

Other bills on product (110th Congress only): None.

Nature of bill: Extension of existing temporary duty reduction through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

p-Hydroxybenzoic acid (CAS No. 99-96-7) (provided for in subheading 2918.29.22)

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

p-Hydroxybenzoic acid is a synthetic organic chemical that is used as a raw material to produce liquid crystal polymers. It is also used in foods, pharmaceuticals, cosmetics, and other products to kill microorganisms that may damage these products. Recent historical imports of this chemical have come from Japan, China, Taiwan, and India.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent identified one additional beneficiary of this bill. USITC staff sent an inquiry to the named beneficiary and received a response from the beneficiary. It submitted a written representation that it would benefit from this bill.

Estimated effect on customs revenue:

HTS subheading: <u>2918.29.22</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$22,000,000	\$24,000,000	\$26,000,000	\$28,000,000	\$30,000,000
Customs revenue loss 1/ 2/	\$748,000	\$816,000	\$884,000	\$952,000	\$1,020,000

1/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 3.1 percent ad valorem, a reduction of 3.4 percentage points.

2/ A portion of the estimated customs revenue loss for 2009 reflects the existing temporary duty reduction under HTS heading 9902.29.03 that expires on December 31, 2009.

Source of estimated dutiable import data: Commission estimates, based on official U.S. Government statistics.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Celanese (Proponent) Jim Laude Tel: 972-443-4566	12/19/2007	No	No	No
American Chemistry Council Jim O'Connor Fax: 703-741-6922	12/19/2007	No	No	No
BASF Corp. Phil Webb Fax: 704-587-8252	12/19/2007	No	No	No
Bayer Corp. Karen Niedermeyer Fax: 412-777-4740	12/19/2007	No	No	No
Clariant Corp. Andrew Zamoyski Fax: 401-823-2700	12/19/2007	No	No	No
DuPont Government Affairs Sharee C. Lawler Tel: 202-728-3664	12/19/2007	No	No	No
Fanwood Chemical Jim DeLisi Fax: 908-322-8494	12/19/2007	No	No	No
LANXESS Corporation Jamie B. Schaeffer Fax: 412-809-3614	12/19/2007	No	No	No
Noveon Tom Dirmyer Fax: 216-447-5720	12/19/2007	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
(Yes/No)				
Solutia Sue Cannon Fax: 314-674-1585	12/19/2007	No	No	No

Technical comments:⁴

None.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

110TH CONGRESS
1ST SESSION

H. R. 4032

To reduce temporarily the duty on PHBA.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 2007

Mr. MCHENRY introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To reduce temporarily the duty on PHBA.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PHBA.**

4 (a) IN GENERAL.—Heading 9902.29.03 of the Har-
5 monized Tariff Schedule of the United States is amended
6 by striking “12/31/2009” and inserting “12/31/2011”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) applies to goods entered, or withdrawn from
9 warehouse for consumption, on or after the 15th day after
10 the date of enactment of this Act.